



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

m/15/061

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November 12, 2002

TO: Mary Ann Wright, Acting Director *Approved M/W 11/15/02*

THRU: Wayne Hedberg, Permit Supervisor *W.H.*

FROM: Doug Jensen, Senior Reclamation Specialist *D. Jensen*

RE: Request for Approval of Form and Amount of Replacement Reclamation Surety, Western Clay Company, Last Chance Mine (M/015/061) and Bentonite Pits (M/041/012), Emery and Sevier Counties, Utah

In 2001, the Division performed the standard five-year review of the reclamation sureties for Western Clay's Last Chance Mine and Bentonite Pits. Upon receipt of the requested information, the bonds were calculated and escalated five years into the future to year 2006. Western Clay provided Letters of Credit issued by Utah Independent Bank for the required amounts.

On August 16, 2002, we were informed that Western Clay was going to replace the Utah Independent Bank LOC's with LOC's issued by Zions Bank. Through subsequent correspondence, the Division authorized Utah Independent Bank to transfer the funds from the LOC's directly to Zions Bank. On September 11, 2002, we received the replacement LOC's from Zions Bank; #\_\_\_\_\_ in the amount of \$96,900 for the Bentonite Pits and #\_\_\_\_\_ in the amount of \$51,800 for the Last Chance Mine. On November 12, 2002, we received the replacement Reclamation Contracts which are tied directly to the LOC's. Because the sureties had just been escalated in 2001, the sureties were not updated again at this time, but remain at year 2006 dollars.

If you are in agreement with the acceptance of the replacement reclamation sureties please sign and date the Reclamation Contracts. We will then issue final Division approval of the replacement sureties and forward the signed and executed copies to Western Clay for their records. Thank you for your consideration of this request.

jb

Enclosure: 2 MR-RC's & 2 LOC's

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